

# The New IPPF: What to Expect

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# Agenda

- Reminder – the previous IPPF
- Why a new IPPF?
- What is not changing
- What's new (and why)
- What to expect going forward ...

# Reminder – the Previous IPPF



# Why a new IPPF?

- Questions surfacing ...
  - Should we revise the Definition?
  - Should we react to the elevated regulatory pressure in the Banking/FS sector?
  - Are the Standards too easy? Too hard?
  - Should the Standards be the minimum, or should they be more aspirational?
  - Can The IIA be quicker to market with guidance?
  - And so on ...



# Why a new IPPF?

- ✓ Nov. 2013 - Global Taskforce first convened
- ✓ July 2014 - Global Board approved potential changes for exposure
- ✓ August – November 2014  
Global exposure of possible changes
- ✓ March 2015 - Evaluation of responses and final proposal to Global Board
- ✓ July 2015 – Launch of new Framework



# Why a new IPPF?



- What was exposed?
  - A possible addition to the IPPF of a Mission of Internal Audit
  - A possible addition to the IPPF of Core Principles for the Professional Practice of Internal Auditing
  - A possible restructure of Practice Advisories to become Implementation Guidance
  - A possible restructure of Practice Guides to become Supplemental Guidance
  - A possible addition to the IPPF of Emerging Issues Guidance
  - The potential removal of Position Papers from The IPPF
  - A renaming of the Mandatory and Strongly Recommended Layers to Required and Recommended

# Why a new IPPF?



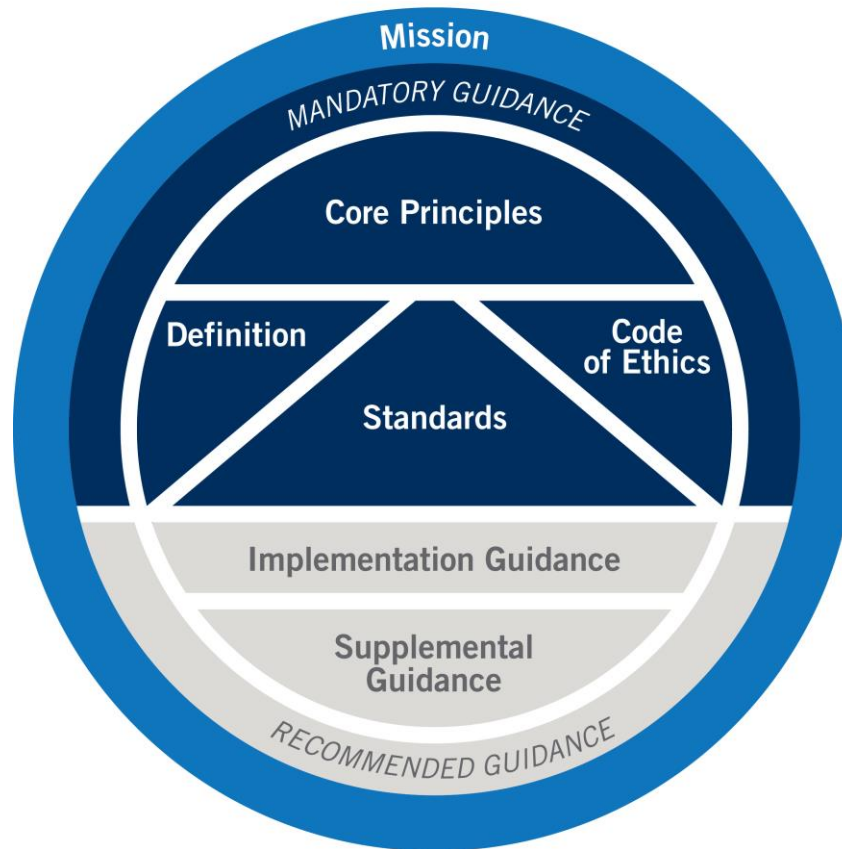
- What was the feedback from the exposure?
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  - A possible addition to the IPPF of Emerging Issues Guidance = Yes and no ...
  - The potential removal of Position Papers from The IPPF = OK
  - A renaming of the Mandatory and Strongly Recommended Layers to Required and Recommended = NO! and yes ...



# The Final Result ...



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# The Final Result ...

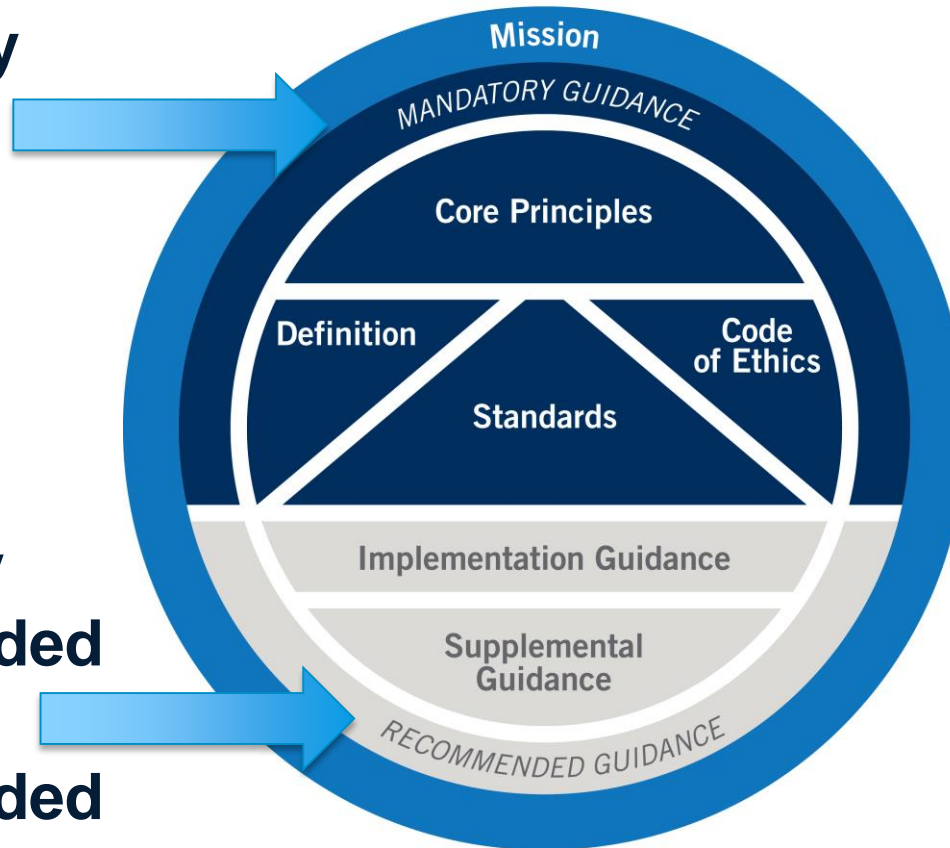


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**Mandatory  
To  
Required**

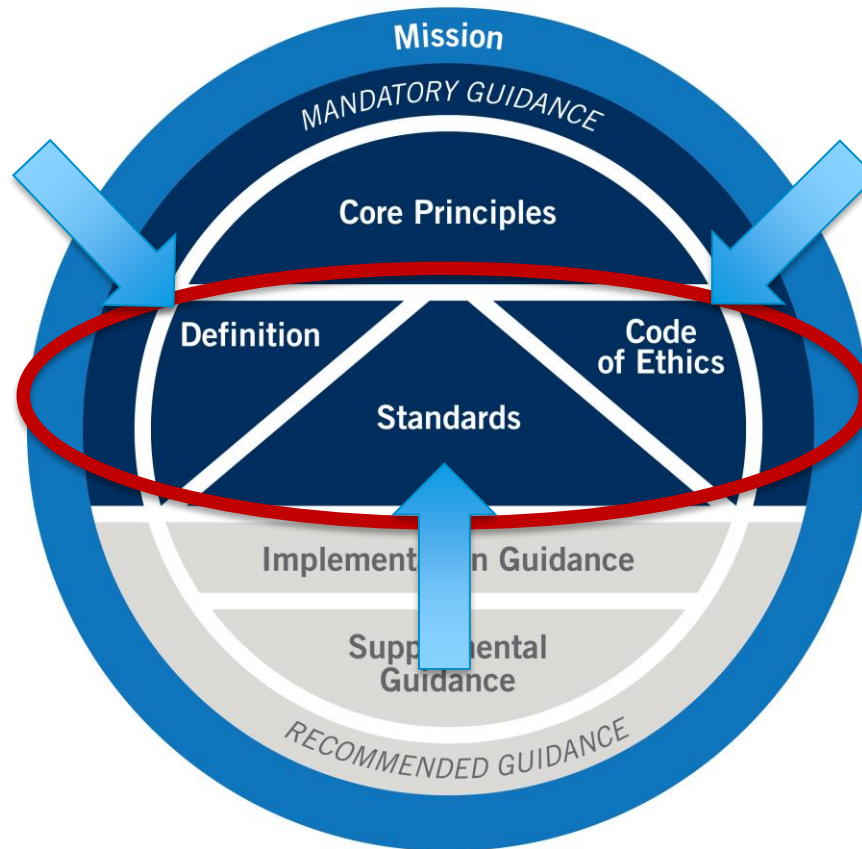
**Strongly  
Recommended  
To  
Recommended**



# What's Not Changed?



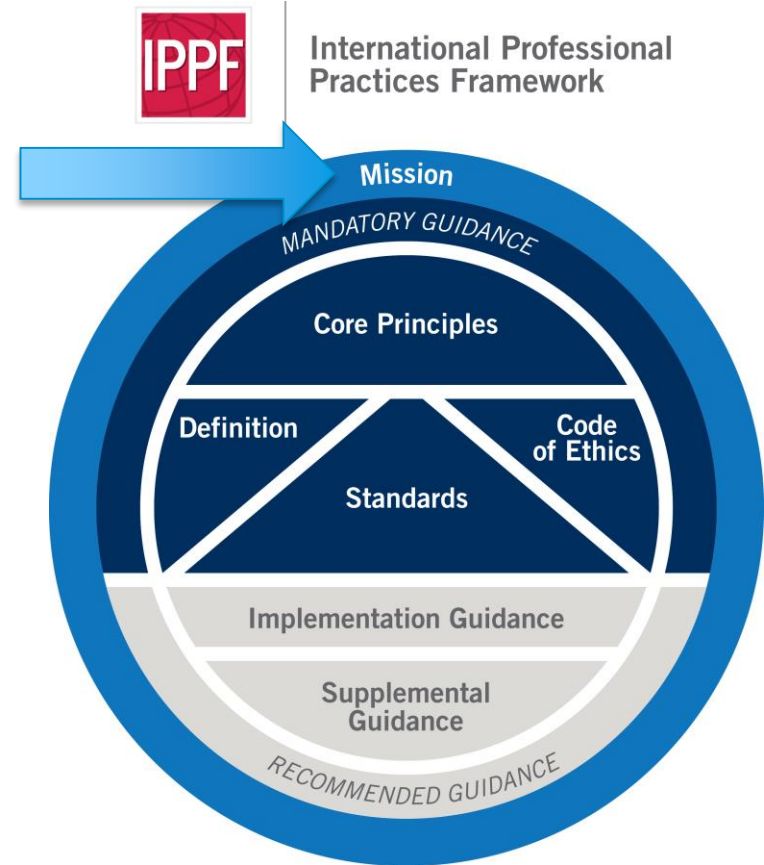
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# What's New and Why?

## The addition of a: **Mission of Internal Audit**

*“To enhance and protect organizational value by providing risk-based and objective assurance, advice and insight.”*



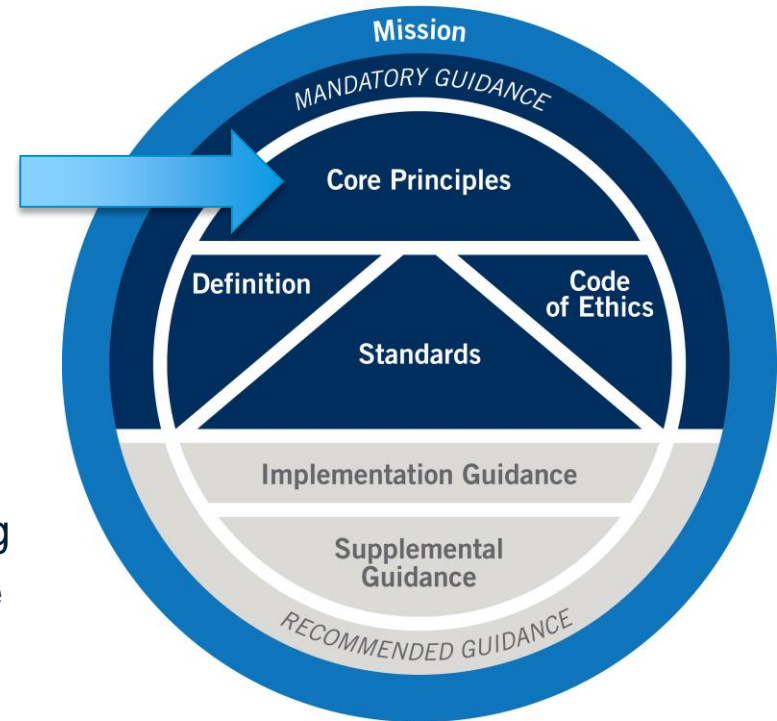
# What's New and Why?

## The addition of: **Core Principles for the Professional Practice of Internal Auditing**

- |              |                 |              |
|--------------|-----------------|--------------|
| >Integrity   | >Competence     | >Due Care    |
| >Objectivity | >Risk-based     | >Positioning |
| >Resourcing  | >Quality        | >Assurance   |
| >Cont. Imp.  | >Eff. Communic. | >Org. Imp.   |
| >Insightful  | >Proactive      |              |



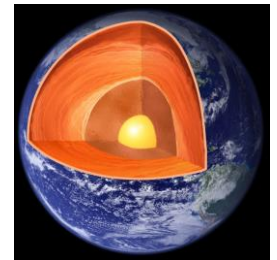
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# What's New and Why?

## The Core Principles

- *Demonstrates integrity*
- *Demonstrates competence and due professional care*
- *Is objective and free from undue influence (independent)*
- *Aligns with the strategies, objectives and risks of the organization*
- *Is appropriately positioned and adequately resourced*
- *Demonstrates quality and continuous improvement*
- *Communicates effectively*
- *Provides risk-based assurance*
- *Is insightful, proactive, and future-focused*
- *Promotes organizational improvement*





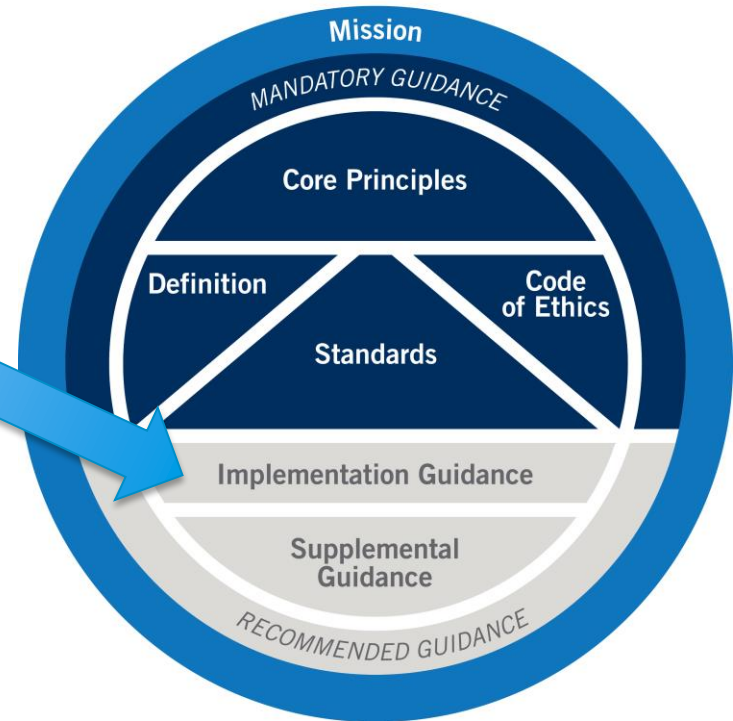
# What's New and Why?

## The repositioning of Practice Advisories to: **Implementation Guidance**

To better help practitioners  
with guidance to achieve  
conformance with the  
*Standards*.




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# What's New and Why?

## Implementation Guidance

- *Two released July 2015*
  - *IG 1000 – Purpose, Authority and Responsibility*
  - *IG 2110 – Governance*



Implementation Guide 1000

**Standard 1000 – Purpose, Authority, and Responsibility**

The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics, and the Standards. The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval.

**Interpretation:**


*The internal audit charter is a formal document that defines the internal audit activity's purpose, authority, and responsibility. The internal audit charter establishes the internal audit activity's position within the organization, including the nature of the chief audit executive's functional reporting relationship with the board; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities. Final approval of the internal audit charter resides with the board.*

**Getting Started**

The internal audit charter is a critical document, as it records the agreed upon purpose, authority, and responsibility of an organization's internal audit activity. To create this document, the chief audit executive (CAE) must understand the mandatory elements of The IIA's International Professional Practices Framework (IPPF) — including the Definition of Internal Auditing, the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, and the Standards.

This understanding is the foundation for a discussion among the CAE, the board, and senior

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Implementation Guide 2110

**Standard 2110 – Governance**

The internal audit activity must assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives:

- Promoting appropriate ethics and values within the organization;
- Ensuring effective organizational performance management and accountability;
- Communicating risk and control information to appropriate areas of the organization; and
- Coordinating the activities of and communicating information among the board, external and internal auditors, and management.

**Getting Started**

To fulfill this standard, the chief audit executive (CAE) starts by attaining a clear understanding of governance and what typical governance processes entail. The definition of governance in the Standards glossary should be considered, along with governance frameworks and models published globally.

Governance frameworks, models, and requirements vary according to organization type and regulatory jurisdictions. How an organization designs and practices the principles of effective governance also depends on such factors as its size, complexity, life cycle maturity, and stakeholder structure, and the legal and cultural requirements to which the organization is subject. The CAE's approach to assessment will vary based on the framework or model the organization uses.

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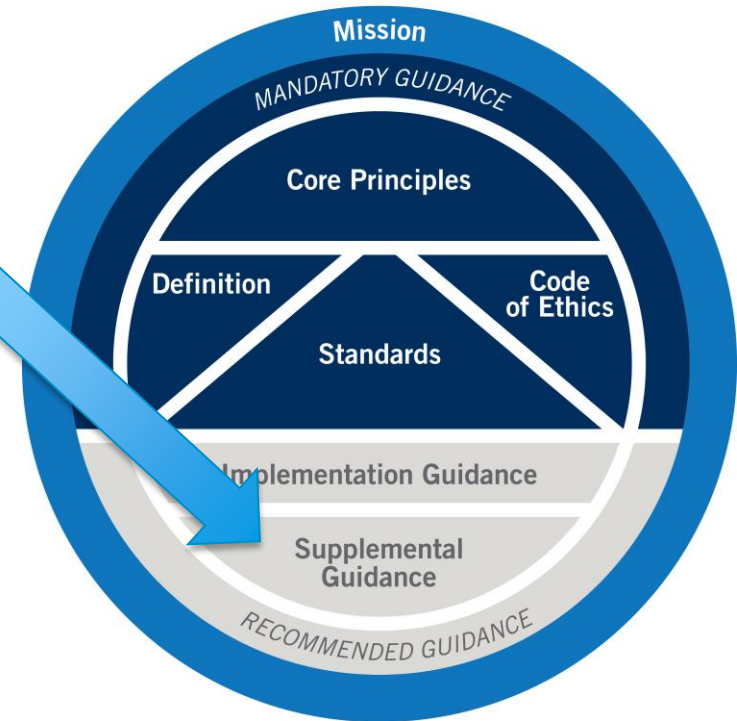
# What's New and Why?

## The repositioning of Practice Guides to: **Supplemental Guidance**

Initially, all Practice Guides and GTAGs are part of the Supplemental Guidance layer.



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# What's New and Why?

## The removal of Position Papers from the IPPF:

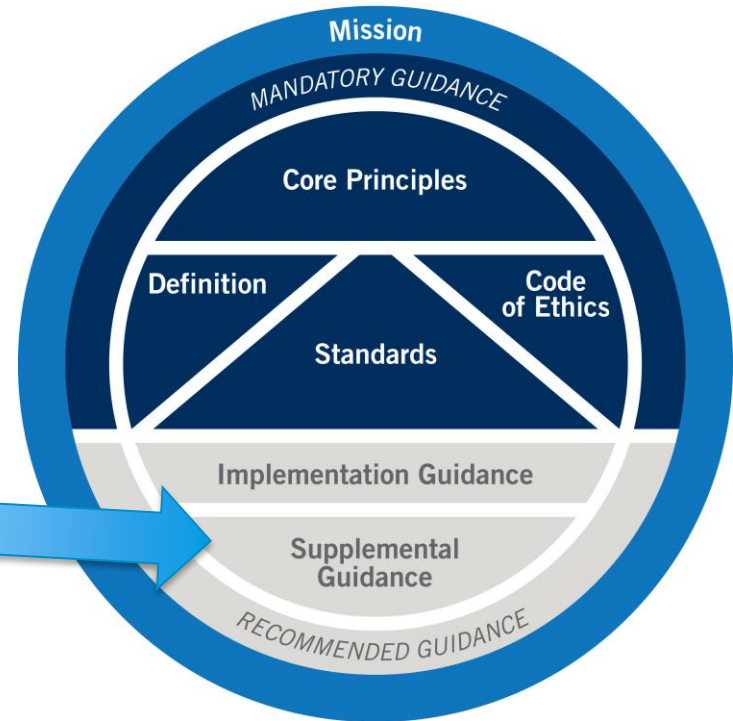
Step 1 – Removal.

Step 2 – Reassignment.

Step 3 – Restoration.



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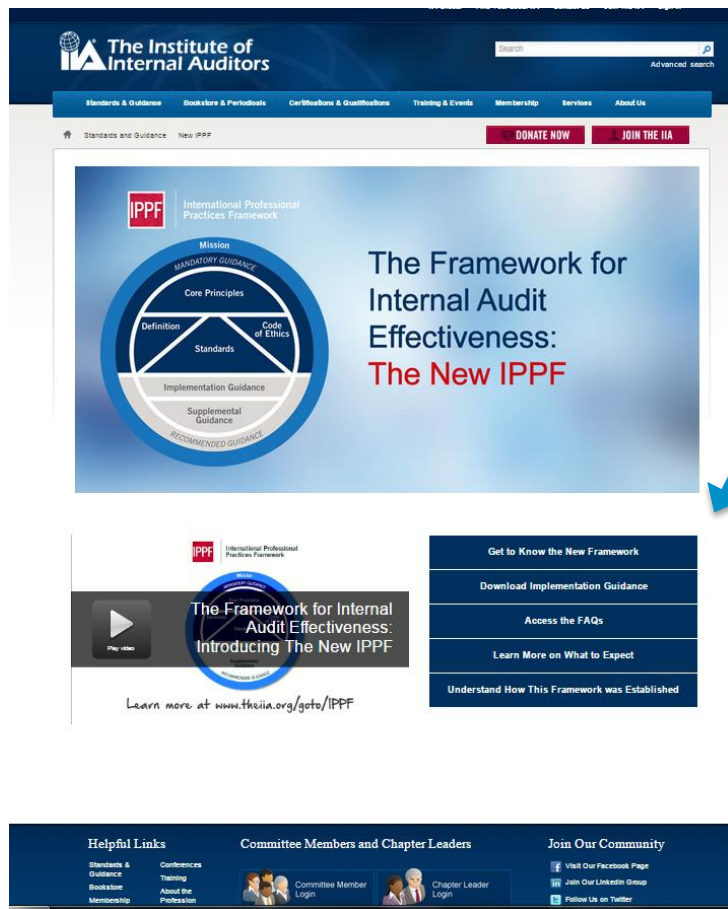
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# Learn More and Stay Up-to-Date

[www.theiia.org/goto/IPPF](http://www.theiia.org/goto/IPPF)



## Fun Video and 5 Hyperlinks Offer More Information

- Get to Know the New Framework
- Download Implementation Guidance
- Access the FAQs
- Learn More on What to Expect
- Understand How This Framework was Established

# Implementation Guides and Practice Advisories

The screenshot displays the IIA website's 'Standards & Guidance' section. The left sidebar lists various resources, including 'Standards & Guidance - IPPF', 'Mandatory Guidance', 'Recommended Guidance', and 'Implementation Guides/Practice Advisories'. The main content area is titled 'Implementation Guides/Practice Advisories Recommended Guidance' and provides an overview of these resources. It states that Implementation Guides will be more comprehensive than Practice Advisories and that they collectively address internal auditing's approach, methodologies, and considerations. A 'NEW!' section highlights the 'Implementation Guides (July 2015)' and 'Quality Practice Advisories: Sustaining an Effective QAIP Program'. The 'Downloads and Links' section lists various documents in multiple languages, including Arabic, Bosnian, Chinese, Croatian, Czech, English, Estonian, Greek, Macedonian, Montenegrin, Polish, Portuguese, Russian, Serbian, Slovenian, and Spanish. A 'Quick Links' sidebar on the right offers links to 'New Guidance', 'Due Process', 'COSO Resources', and 'Regulator Responses'. The bottom of the page features the IIA logo and the text 'The Institute of Internal Auditors'.

Pages - Practice Advisories - X  
https://na.theiia.org/standards-guidance/recommended-guidance/Pages/Practice-Advisories.aspx  
Apps Suggested Sites Welcome - Empowe... IIA Intranet Home  
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Core Principles  
Standards  
Code of Ethics  
Definition of Internal Auditing  
Recommended Guidance  
Implementation Guides/Practice Advisories  
Supplemental Guidance  
Topics and Resources  
Position Papers  
Global Public Sector Insights  
Caribbean-Oceania  
UK Financial Services  
Responses to Regulators  
Reprint and Translate  
Implementation Guides/Practice Advisories  
Recommended Guidance  
Implementation Guidance will be more comprehensive than Practice Advisories in guiding practitioners toward conformance to the International Standards for the Professional Practice of Internal Auditing (Standards).  
Implementation Guides and Practice Advisories assist internal auditors in applying the Standards. They collectively address internal auditing's approach, methodologies, and considerations, but do not detail processes or procedures.  
Implementation Guides/Practice Advisories are free to IIA members. **Members Only**  
Non-members may obtain Implementation Guides/Practice Advisories by purchasing them in full from The IIA Research Foundation Bookstore.  
**NEW! Implementation Guides (July 2015)**  
IG1000 - Purpose Authority and Responsibility  
IG2110 - Governance  
**NEW! Quality Practice Advisories: Sustaining an Effective QAIP Program**  
A Quality Assurance and Improvement Program (QAIP) monitors and attests to whether the internal audit function is operating as it should. Access the nine new and updated Practice Advisories: 1300-1322 on how to successfully sustain a comprehensive QAIP below.  
Downloads and Links  
Implementation Guides/Practice Advisories (in full)  
French - 2015  
Germany, Austria, Switzerland Joint Translation - 2015  
Practice Advisories (in full)  
Arabic - 2011  
Bosnian - 2009  
Chinese (Traditional) - 2009  
Croatian - 2009  
Czech - 2013  
English - 2015  
Estonian - 2013  
Greek - 2012  
Macedonian - 2010  
Montenegrin - 2011  
Polish - 2009  
Portuguese - 2009  
Russian - 2014  
Serbian - 2014  
Slovenian - 2013  
Spanish - 2013  
Quick Links  
New Guidance  
Due Process  
COSO Resources  
Regulator Responses  
New IPPF Resources  
Educate staff, colleagues, and stakeholders on these changes by utilizing these tools:  
Webinar Playback - What to Expect  
Internal Auditor Article  
New Guidance  
Video  
FAQs  
Press Release  
Brochure  
The 2013 Red Book is still a useful and binding reference source as a majority of the content has not changed and remains valid. The IIA Research Foundation is exploring an online tool with searchable, on-demand access to all IPPF content. Learn more in the FAQs.  
The Institute of Internal Auditors

Implementation Guides

Practice Advisories



# FAQs

**These questions are answered and kept up-to-date online.**

- When will The IIA's *International Standards for the Professional Practice of Internal Auditing (Standards)* be revised? Will there be any changes as a result of the launch of the new International Professional Practices Framework (IPPF)?
- What happens to existing guidance upon launch of the new International Professional Practices Framework (IPPF)?
- When will the International Professional Practices Framework (IPPF) 2013 Edition be updated to reflect the new IPPF?
- When will the Quality Assessment Manual for the Internal Audit Activity be updated to reflect the new IPPF?
- When will the changes to the International Professional Practices Framework (IPPF) be tested on certification exams?
- When will the changes to the International Professional Practices Framework (IPPF) be integrated into existing training courses?

# What to Expect Going Forward

- Standards
- Implementation Guides
- Red Book
- Certifications
- Quality Assurance Reviews
- Committees structures



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# Questions?

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